

INFORMATION BULLETIN

WORKFORCE INVESTMENT ACT

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: LWIA ADVISORY COMMITTEE MEETING MINUTES—THURSDAY,
OCTOBER 20, 2005

The minutes and revised agenda from the Local Workforce Investment Area (LWIA) Advisory Committee Meeting on Thursday, October 20, 2005, are attached for your review and information. Please ensure that the minutes are provided to the appropriate staff.

If you have any questions regarding the minutes, please contact Jim Scholl at (916) 657-4610.

/S/ BOB HERMSMEIER
Chief
Workforce Investment Division

Attachments

LOCAL WORKFORCE INVESTMENT AREA ADVISORY COMMITTEE MEETING

Thursday, October 20, 2005

Agenda

10 a.m.	Welcome/Agenda Building/Hot Topics	Bob Hermsmeier, Workforce Investment Division (WID)
	Workforce Investment Act Allocations	Dave Dahlberg, Labor Market Information Division
	California Workforce Investment Board (CWIB) Update	Brian McMahon, CWIB
	Common Measures	Liz Clingman, WID
	<ul style="list-style-type: none"> Youth Measures Performance Negotiations 	
	ETA Management Information and Longitudinal Evaluation (EMILE)	Liz Clingman, WID
	Dislocated Worker Issues	Steve Saxton, WID
	Department of Labor Incentive Funds	Liz Clingman, WID
	Quarterly Meetings	Bob Hermsmeier, WID
	Future Meetings and Work of the Advisory Committee	Bob Hermsmeier, WID

LOCAL WORKFORCE INVESTMENT AREA ADVISORY COMMITTEE MEETING MINUTES

Thursday, October 20, 2005

Welcome/Agenda Building/Hot Topics—Bob Hermsmeier, Workforce Investment Division (WID)

- **Management Staff Changes.** Michael Evashenk, a longtime Section Manager of WID, has been appointed to the position of Acting Deputy Chief of the Job Service Division (JSD). Michael is very knowledgeable regarding Workforce Development Branch (WDB) programs and his expertise will be an asset to JSD. Dave Rexius will replace Michael as Manager of the Workforce Advisory Section. Congratulations to both Michael and Dave.
- **State of Virginia One-Stop Credentialing Survey.** The State of Virginia asked California how many local areas have credentialed staff at the One-Stops. Only one local area indicated that their One-Stop staff is credentialed. A negative report will be sent to the State of Virginia.
- **Release of Unemployment Insurance (UI) Confidential Information (UI Print Screens).** A process had to be developed to avoid violation of the California UI Code when providing confidential information to the local areas. The State formed a workgroup that included local area representation. This workgroup created a process that requires a consent authorization form to be signed by the client in order to release confidential information. The consent authorization form is being administered through the UI Division. This process was addressed in Draft Directive WIADD-107, *Release of Confidential Unemployment Insurance Information*, dated September 29, 2005, with the comment period recently ending.

The WDB has proposed changes to the California UI Code that would provide aid to local areas in administering the Workforce Investment Act (WIA). The State will share the proposals with the California Workforce Association (CWA).

The process created by the workgroup authorizes the administrator, or his/her designee, to sign a list of authorized locations where confidential information can be securely shipped.

The workgroup considered whether the authorization period should be 12 months or 18 months and decided to keep the policy at 12 months.

There was a request to provide the new employer's name, address, and phone number. This data system does not contain that information.

An Advisory member asked why there was a need for this process since there is the TCAEZ1 process. The TCAEZ1 is the Tax Credit Authorization for Enterprise Zones. This is the vouchering process for a client who has the potential for getting a tax credit for the employer. No UI information is supposed to be released with that process. It is a vouchering process that should not require the release of any UI information.

The draft directive encouraged local areas to return the list of authorized locations as soon as possible. However, no local area administrator filed their location code form during the draft directive process. The State needs to know how many location codes are ready to put in the system. When the draft directive goes final, JS will issue a document that discontinues future screen prints. The State needs the local areas to provide their location codes. The local areas are encouraged to designate a fax modem that is connected to a personal computer.

(Note: Subsequent to this meeting, final Directive [WIAD05-10](#), *Release of Confidential Unemployment Insurance Information*, dated October 21, 2005, was released and is now on the Employment Development Department's (EDD) Web page.)

- Draft Directive to Final Directive Process—The process for finalizing directives has been revised as of November 1, 2005. The current WID clearance process requires all directives to first go out in draft form so that comments can be solicited from EDD's internal and external customers. Comments received are considered and a final directive is then released, without discussion of the comments received.

The new WID clearance process will still require all directives to go out in draft form. Once the comment period closes, the directive's author will be required to include a brief summary of all received comments. The author will state the reason why the comments were or were not incorporated in the final directive. Staff will also highlight substantive content changes on the final directive. This will reflect what changed from the draft to the final directive. The highlighted copy of the final directive will remain on the EDD Web site for 30 days from the date of issuance. After 30 days, the highlighting will be removed from the final copy.

The Advisory Committee requested prior notification on draft directives and a longer comment period. Also, it was requested that the Regional Advisors follow up with their local areas when there are required actions identified in draft directives.

- One-Stop Survey—The One-Stop Survey will be released on approximately November 21, 2005. This survey will be sent out to the One-Stop operators on a two-year basis to update DOL's America's Service Locator (ASL) Web site. The newly formed California Workforce Investment Board (CWIB) committees are seeking various types of information. Plans are being developed for how best to secure the information. Bob Hermsmeier asked the Advisory Committee if the One-Stop survey should be sent with an addendum regarding other surveys that focus on One-Stops. After some discussion, the consensus was to keep the surveys separate.

WIA Allocations—Dave Dahlberg, Labor Market Information Division (LMID)

Changes have occurred in the process that will affect WIA allocations to all states. With the 2000 Census, there were questions surrounding the definition of Group Quarters. Group Quarters are dormitories, work camps, or housing where people are temporarily housed. These Group Quarters were counted as permanent residences, which they are not. This discovery called into question the unemployment rates for census tracts that have Group Quarters. The Department of Labor (DOL) realized it could cause some inequities among the states and decided to investigate alternatives to census tract information. The DOL's solution was to eliminate census tracts in the calculation of the Areas of Substantial Unemployment (ASU) and use Local Area Unemployment Statistics (LAUS) area information instead. An ASU is a contiguous geographical area with 10,000 or more population with an unemployment rate of 6.5 percent or greater for the defined period, which in this case, is a 12-month period ending in June of the prior year. Areas can be added together that have less than a 6.5 percent rate as long as the overall contiguous area has an unemployment rate greater than 6.5 percent. Many census tracts are relatively small in employment. For smaller states, these can add in a lot of unemployment and not drop the unemployment rate below 6.5 percent. For these states the census tract methodology is to their advantage. The largest LAUS area is the State as a whole. The next largest areas are counties, with the next areas being cities. As required by DOL for this year, LMID has already finished this year's calculation and submitted it to DOL. However, it cannot be determined how this will impact California's allocation. A portion of the adult and youth federal allocations to California will be impacted by this federal change.

For this year, DOL is leaving it up to the states to decide if they want to continue to use census tracts or the LAUS-defined areas to calculate the substate local areas' allocations. In the past, the Department's policy has always been to adhere to what the National methodology has been. However, in this case, the decision still has to be made. The problem is two-fold: 1) The State's economy is improving, so past data is not a good predictor because the contiguous areas from last year aren't going to be the same contiguous areas for this year. 2) There is no way of predicting when the final data is received where the ASUs boundaries are going to fall. Because DOL gives the State only a few days to calculate the data, LMID is not going to have the time to run scenarios. It takes about 10 working days to do all the allocation work. Some of the calculations are done manually. Advisory members discussed the perceived advantages to each method, and the likely winners and losers associated with each. A majority of the Committee members indicated a preference in using the census tracts for determining the adult and youth substate allocation

The next issue concerns potential CWIB policy changes to the formula for the within State allocation for dislocated workers. The WIA requires the CWIB policy to incorporate three mandatory factors with an option to also use a number of additional factors. The CWIB policy includes one additional factor, Mass Layoff Statistics (MLS). Each factor is weighed 25 percent.

In Calendar Year 2004, budget cuts forced the Bureau of Labor Statistics from paying for the collection of data from layoff events in agriculture and government. In Program Year (PY) 2005, the PY 2003-04 MLS data were used with a significant effect seen,

particularly in rural areas; one half the allocation included the agriculture and government MLS data. If the current allocation formula is used in PY 2006, MLS data for PY 2004-05 will be used, causing the effect of uncollected data to be more pronounced. This time the data won't contain any layoff data for agriculture and government.

This is a start of a discussion to determine if California should change the formula. Last year the State had a process for Local Workforce Investment Areas (LWIA) to request additional 25 percent Rapid Response funds to mitigate the impact of the eliminations of agriculture and government in the MLS.

In PY 2006-07, one option could be to budget a set amount from the State's 25 percent Rapid Response funds to take care of this need. Local areas could request funds similar to last year's process. Another option could be that the set aside would be automatically added to the LWIAs subgrant. The amount for each local area would be based on some methodology or historical data.

This is a major topic and will be a source of many future discussions at different venues.

California Workforce Investment Board Update—Brian McMahon, CWIB

There are now five new CWIB members. The new members will be given a tour of the local areas so they will have a better understanding at ground level of the CWIB's service provision. They will have an opportunity to begin the process of understanding some of the issues that may impact them.

At the Meeting of the Minds session in Monterey, CWIB announced that at least two local area representatives would be participating on every committee and that has been accomplished on most of CWIB's committees. There are multiple area LWIA representatives chairing two of the committees. Three vice-chairs have been added to the committees that are from LWIA staff as well. The CWIB's goal through these committees is to produce tangible types of outcomes. A number of the committees are doing just that, with some very tangible products. The committees and their CWIB lead staff are: Teresa Gonzales, Business and Industry Committee; David Illig, Targeting Resources Committee; David Militzer, Lifelong Learning Committee; and Ray York, Accountability in Workforce Investments Committee. The following briefly summarizes the committee's actions/activities:

- Business and Industry Committee Report, Teresa Gonzales. Based on Committee member input, an initial vision statement for business services was drafted for the Committee's consideration. The vision statement will be refined based on input provided at the October 12 meeting. The Committee recommended moving forward with the vision statement and strategic planning framework to CWIB for approval.

A draft concept paper was presented to the Committee for establishing a basic level of business services in the One-Stops. A workgroup of local area staff and key stakeholders will be convened to discuss and establish basic standards for the Committee's consideration. The workgroup will be convened in November.

Staff developed two draft survey instruments that were presented to the Committee. The objective of the joint survey with the California Association of Local Economic Development is to identify opportunities for economic development entities and the workforce development system to collaborate in addressing the needs of California's businesses and industries. The objective of the California Manufacturers and Technology Association (CMTA) survey is to assess the current level of awareness and use of the public workforce system by CMTA members.

- Targeting Resources Committee Report, David Illig. The Targeting Resources Committee has five activities underway. These are development and administration of a survey to Local Executive Directors designed to get a more complete understanding of sources of local board/One-Stop system resources - both financial and in-kind, and information about partnerships or other involvements local areas have with the broad spectrum of workforce and economic development programs.

Committee staff developed three proposals focused on local area collaboration, which will serve as the focus for much of the committee's discussion and decision-making at the next Committee meeting in November. These proposals include:

1. Development of policy guidance for local areas, One-Stops, economic development offices/corporations and other interested local workforce and economic development entities that will provide information about promising strategies for forming collaborations or partnerships across local programs to solve common or unique problems.
2. Development of an advancing low-income worker initiative that focuses on demonstration projects that use collaborative strategies to improve target worker outcomes.
3. Development of a Goods Movement industry sector initiative focused on use of collaboration/partnerships to address shortages in two industry clusters; the logistics supply chain and heavy construction.

Committee staff is preparing a short document for use by the committee to help focus a discussion related to improving economic and labor market information based on its interest in pursuing issues.

- Special Committee on Lifelong Learning, David Militzer. The initial goals of the Committee are to:
 1. Develop planning guidance, potentially to be included in the Guidance for Local Area Plans, promoting the connection between lifelong learning and workforce development; and
 2. Develop a) recommendations for how CWIB can address the needs of youth, with particular emphasis on the implementation of the new Youth Vision and related issues; and b) priorities for the Lifelong Learning Committee that addresses WIA youth services.

Next meeting date: November 9, 2005, in Sacramento, location to be determined.

The agenda for this meeting is currently being developed. It will include a discussion of a draft Description of Lifelong Learning as it relates to workforce development, along with draft key elements, for action by the committee. The committee is also preparing summaries of key pieces of recently enacted legislation that have particular relevance for education and workforce development.

Other topics of discussion are WIA's role in youth services, including eligibility, funding, local Youth Councils, and the role to date of the CWIB, State Youth Council, and Youth Council Institute. The committee will also discuss the federal "Youth Vision" and related changes such as implementation of new common youth performance measures and likely affects of reauthorization as they affect youth and youth services, and the concerns being voiced by local areas regarding these changes. The committee will then reach agreement on next steps for the committee in addressing youth and lifelong learning.

An outcome will be material that will support a discussion on the key issues for Adults and Lifelong Learning and a preliminary discussion on what is working in collaborations between lifelong learning resources and workforce development.

An Advisory member noted there needed to be more emphasis on adult learning as the average age of a community college student is 35.

- Accountability in Workforce Investments Committee, Ray York. Next meeting date: November 10, 2005, in Sacramento, location to be determined.

At the August 23, 2005, meeting the committee decided to move forward with the proposed CWIB/California Department of Education (CDE) One-Stop System and Adult Education Partnership study and the CWIB/EDD Cost Study related to the One-Stop System. The committee requested that staff draft two proposals for their review.

The second meeting of this committee was held in Sacramento on September 27, 2005. Staff presented two proposal documents to the committee:

1. Joint CWIB/CDE Proposal to Conduct a Study Concerning the Role of Adult Basic Education within the One-Stop system; and
2. Joint CWIB/EDD Proposal to Conduct a Cost Study of the One-Stop Career Center System.

The cost study will collect information on all resources used for the One-Stop operations. This will be the baseline for Return on Investment calculations.

The committee acted on these two proposal documents and authorized staff to proceed with the development of the Adult Basic Education and One-Stop System survey questionnaire. Simultaneously, staff was also directed to fully develop the

CWIB/EDD One-Stop System Cost Study proposal that will include an enhanced description of the study design, project timeline, and a detailed budget.

Both of the above deliverables will be presented for the committee's review and approval at their next meeting on November 10, 2005.

Steve Saxton stated the CWIB/EDD One-Stop system cost study is one of the most significant efforts made since WIA began. As well as being proposed by EDD and CWIB together, it will require the support and participation of many State Agencies and local partners. Three levels of study are envisioned:

1. Identifying what State entities are involved, and what support they provide that enables the One-Stop system to deliver their product.
2. Creating a study across a subset of local areas, principally those areas that collect information on universal access. The EDD is going to be asking partner agencies to look at approximately 10 to 20 areas to break out some fairly broad categories of cost information. The local areas will initially be asked to break out cost information into self-service, staff assistance services, and training and employer services. This will give a sense of resources in those four categories and how many people are being served in each of those categories.
3. Examining the cost of the One-Stop system in two to four case study areas. This will require a very intensive involvement from all partner organizations, to work together to find the functions in the One-Stop and to array their costs across the functions. Again, there would be a more detailed example of how resources are used to support the activities of people being served.

The cost study will take about a year. There will be intermediate products developed over the next year. The WDB has formed an internal workgroup and envisions expanding the steering committee, which will include case study areas and other partner organizations around the State to help create the support needed to resolve this issue.

With these case studies, the participating entities and areas will actually receive other benefits. Using the model, local areas will be able to describe the value and the benefit derived by each of the entities that participate. They will be able to look at what each entity is spending on each of the functions to determine if that is best use of their money. The locals will be able to use this information to make some decisions. The EDD is not going to take those few case studies and expand that to the State or make any representations to the State, but can provide some great examples of the complexities and benefits that are derived from WIA.

The Administrative Committee also will address a WIA waiver process at its October 31 meeting. The Governor's priority for "Building a Demand Driven Workforce System. . . ." states in part that the priority will be achieved by "taking full advantage of federal waiver flexibility". This priority is consistent with DOL's encouragement to states and locals to take full advantage of the waiver process to design flexible, effective State and local workforce development systems. Accordingly, CWIB solicited suggestions for WIA

waivers from State and local partners and stakeholders during the State Plan public planning process.

The CWIB staff, in coordination with EDD, developed a process for reviewing and processing the waiver suggestions submitted for consideration. This process attempts to standardize, on an annual basis, solicitation and processing of waiver requests that will address barriers to building a demand driven workforce system.

The CWIB staff is seeking approval from the Administrative Committee to move forward with the process. For details, please go to the CWIB Web page at www.calwia.org.

The Administrative Committee will meet on October 31 and be updated on each of the Committee's work in progress. The CWIB members will also be updated on the Committee's work at the November 30 full CWIB meeting.

Brian McMahon agreed to consider rotating the CWIB meeting site from Sacramento.

Dislocated Worker Issues—Steve Saxton, WID

At the last CWA Board meeting, Dennis Petrie discussed reconstituting the Dislocated Worker Workgroup. The two significant items to take to the workgroup are: 1) what are allowable rapid response activities under the Law, and 2) what are the reporting requirements for required and allowable activities.

Bob Hermsmeier indicated the allowability of activities has become an issue in the review of the current Rapid Response competitive applications. There are a number of good proposals that include some activities that cannot be paid with rapid response allowable activities funding.

The State proposes to have the workgroup meet as soon as possible to discuss these questions and others. In the meantime, WID will continue to read through the projects submitted for the competitive process, come to conclusion and make final recommendations and get those projects funded.

A concern was raised by an Advisory member that the EDD monitors are making policy related to rapid response. This is having negative consequences to the local areas. The local areas were asked to share their concerns with their Regional Advisors. On a monthly basis, Nick Summerfield, Jose Luis Marquez, and Steve Saxton meet with the monitoring management team to go over issues. The WID needs to know these issues in order to attempt to resolve them.

Common Measures—Liz Clingman, WID

- Status of the Common Measures Waiver. In a meeting between Brian McMahon of CWIB, and Dennis Petrie of WDB, there was a discussion regarding the feedback and comments about the common measures waiver, particularly comments received from CWA. Based on this input, the State did not forward the proposal to DOL for early implementation of common measures. However, California still has the option to put the waiver forward for next year. Because the complexity is primarily around

the youth measures, this will be a topic for the Youth Measures Workgroup scheduled for January to discuss implementation of the Youth Literacy and Numeracy measure. The DOL is disappointed that California is not seeking a waiver this year and would like to encourage it for next year.

- Youth Measures. Regardless of the status of the common measures waiver, California will be required to report all the youth measures to DOL in PY 2006-07. According to Brian Pasternak from the National office, the DOL legal office has ruled that the Secretary of Labor cannot require accountability to the youth measures based on the current language in WIA Section 136. Consequently, unless WIA is reauthorized this year, states and the local areas will continue to be accountable to the 15 core measures with some changes in definitions. States are currently required (PY 2005-06) to report the adult measures and two of the youth measures, Diploma and Placement. In addition, states must begin reporting Literacy and Numeracy in PY 2006-07. Advisory members asked that the State provide official notification of these implementation timelines when they are received from DOL.

A key concern with the new common youth measures is that two of the three measures do not exclude individuals who have returned to secondary school. This will result in some reduction in our performance for these measures, Diplomas, Certificates, and for Placement. Also, this change has major policy implications for youth programs. With the reporting for the first quarter of this program year, EDD is required, as a reportable item, to add this information on our quarterly reports to DOL. The measure, Literacy and Numeracy, is not yet a reportable item.

A meeting will be set up with the local representatives to discuss what is involved to implement Literacy and Numeracy, possibly at the January CWA Youth Conference.

Performance Negotiations—The State has waited to initiate local performance negotiations for PY 2005-06 until the issue of the common measures waiver for PY 2005-06 was resolved. A Directive will be issued around the first of the calendar year to begin PY 2005-06 State/local performance negotiations.

EMILE—Liz Clingman, WID

- DOL Contractor Evaluation. The Secretary of Labor would like to move the ETA Management Information Longitudinal Evaluation (EMILE) data collection concept forward. California is participating in a feasibility study to help DOL better define issues on an EMILE consolidated record. The Secretary will make a decision after reviewing the Feasibility Study Report (FSR). The three States that are participating include California, New York, and Tennessee. California is trying to influence the amount of data that the contractor is recommending.

At the end of November or the first week of December, DOL contractors want to meet with EDD and with two local areas regarding possible consequences and the affects of implementing ETA's consolidated record in the form of EMILE. The contractors are scheduled to be in this area for two days and would like to visit two local areas. The Los Angeles (LA) City LWIA has volunteered to participate.

Liz Clingman thanked LA City and will coordinate that visit and work with the Local Administrators to identify a second site.

- Self-Service. The EDD is now required to report an aggregate number, not individual records, for self-service clients in the One-Stops. Liz Clingman will work with the local areas to determine how to meet this requirement. The report is due to DOL by November 14. California will leave this field blank for this first quarter report.
- Trade Adjustment Assistance (TAA). There was a general discussion of the ramifications of requiring the local areas to co-enroll all TAA clients also into WIA.

DOL Incentive Funds—Liz Clingman, WID

This year the Secretary of Labor is not matching the federal Department of Education funding for incentive awards. Under WIA, the DOL is not required to do so. There will be a notice sent out regarding incentive awards this year. However, again, all funding will be coming from the education community, not from DOL. California, along with many other states, has never been eligible for incentive funds because of difficulty in meeting the required response rates for participant and employer customer satisfaction.

Quarterly Meetings—Bob Hermsmeier, WID

There was discussion with Virginia Hamilton of CWA regarding quarterly meetings with the local area administrators, which at one time, were held on a regular basis. Due to budget restraints, the meetings were discontinued. At this time, WDB is better able to cover State staff travel to the local areas. However, the budget does not include funds for other costs of the quarterly meetings. The question was raised to the Advisory Committee regarding their willingness to have quarterly meetings and attend on their own resources. The WDB is willing to prepare the agenda and set up the meetings. The Sacramento Employment and Training Agency has a facility that will seat 100 people and have offered to have the meeting there. Also, CWA offered time to the State to discuss issues at their December 8 and 9 board meeting in San Diego.

Future Meetings and Work of the Advisory Committee—Bob Hermsmeier, WID

Bob Hermsmeier asked the committee how often would they like to conduct face-to-face meetings. The consensus is to meet on a rotational basis with the CWA board one month, a conference call the 2nd month, and a group face-to-face meeting in Sacramento the 3rd month.